

October 13, 2020

William McCusker, Chairman
Zoning Board of Appeals
30 Providence Road
Grafton, MA 01519

RECEIVED
OCT 13 2020
Zoning Board of Appeals

RECEIVED TOWN CLERK
GRAFTON, MA
2020 OCT 13 PM 2:51

Re: Fisherville Terrace Development Budget(s)

Dear Chairman McCusker and Board Members:

Per the request of the ZBA on the September 24th 2020 public hearing, we have enclosed a development budget for the previously approved 72 unit program as well as a development budget for the 100 unit plan for which a modification request is currently pending before the board. We believe the submittal of these two budgets will illustrate the stark financial differences between the two programs. As a convenience, and to facilitate the Board's review, I would like to highlight a few important considerations:

1. The land area in both budgets uses the Masshousing approved land value of \$680,000. This is consistent with the regulations and would be the land value regardless of project density.
2. The necessary site work between the two projects/budgets is virtually identical. Site improvements, utilities, grading, drainage, paving, earthwork, etc etc is the same between each program as the site plan is virtually the same between each scenario. We have estimated that the 100 unit plan would have approximately \$100,000 more in site costs attributable to additional municipal tie-in charges and other miscellaneous costs.
3. The estimated construction cost to build the units (foundation up) has remained consistent between the two scenarios @ \$140 per Square Foot. The units in both development scenarios are largely the same with the same level of finish. As such, the cost per SF is the same and the gross construction cost reconciles to the estimated size of the units.
4. Consistent with the estimated construction costs, as the units are generally consistent between the two plans, the estimated sales price per SF has been kept constant between the two plans. The average sales price per SF is estimated at \$245 based upon comparable sales in Grafton, anticipated level of finish, differences and consideration to desirability of location within Grafton, etc..

SEB, LLC

257 Hillside Avenue, Needham MA 02494

5. Relative to soft costs, some of the estimated costs are fixed and do not tie to the proposed density, while other line items may reconcile more closely to the number of units. And a few soft costs (e.g. 40B cost certification bond) are prescriptive based on the requirements of Masshousing. But the soft costs are not hugely different between the two projects.

Conclusion:

As the development profit on the 72 unit plan illustrates, not only is this project uneconomic by 40B regulations, it has a meager profit which would not be financeable by any lending institution or of interest to any developer/home builder. Conversely, the 100 unit project is still materially and significantly uneconomic according to the regulations established by the Department of Housing and Community Development; those regulations indicate that any developer profit below 15% is considered uneconomic. So while the estimated profit is "uneconomic" at 9.2%, the Developer is willing to move forward with the project for a few reasons, including an ability to self-perform on the construction, in conjunction with a need to keep his crews and staff busy during a period of economic uncertainty.

The 72 unit development budget indicates why that particular project will not be built, by this Applicant or any developer for that matter. 10 years of inactivity and constant failed attempts to sell the project due to a lack of interest have confirmed as much. However, a viable and experienced home builder/developer is willing to move forward with the 100 unit project despite it being significantly uneconomic by DHCD standards. A further reduction in unit count, or additional imposed costs, would further erode an already financially tight project and would make the project no longer financially viable for the developer.

We appreciate your consideration.

Thank you.

A handwritten signature in black ink, appearing to read "Geoffrey Engler". The signature is fluid and cursive, with a large initial "G" and "E".

Geoffrey Engler
Consultant to the Fisherville Terrace, LLC

Project Inputs

Total Units	100
Unit Type A Downhill Units / Market	32
Unit Type B Downhill Units / Market	31
Unit Type C Uphill Units / Market	6
Unit Type D Uphill Units / Market	6
Unit Type A Downhill Units / Affordable	12
Unit Type B Downhill Units / Affordable	11
Unit Type C Uphill Units / Affordable	1
Unit Type D Uphill Units / Affordable	1
Total Square Feet	190,950

Average Unit Sizes and Prices

Unit Type A Downhill Units / Market	1,850	No Finish Basement
Unit Type B Downhill Units / Market	1,850	No Finish Basement
Unit Type C Uphill Units / Market	2,350	No Finish Basement
Unit Type D Uphill Units / Market	2,200	No Finish Basement
Unit Type A Downhill Units / Affordable	1,850	
Unit Type B Downhill Units / Affordable	1,850	
Unit Type C Uphill Units / Affordable	2,350	
Unit Type D Uphill Units / Affordable	2,200	
Sales Price Per SF	\$245	
Affordable 3 BR Sales Price	\$237,800	

Hard Cost Variables

Construction Cost Per SF	\$140
Hard Cost Contingency	5%

USES

Site Acquisition

	PER UNIT	TOTAL
Masshousing Appraised Value		
TOTAL	\$6,800	\$680,000

HARD COSTS

	PER UNIT	TOTAL
Tree Removal		
Earthwork		
Booster Pumps		
Geo-Technical		
Utilities connection fees		
Telephone, electric, cable, gas		
Stormwater Detention		
Site Improvements		
Landscaping		
Off-Site Improvements		
Roads & Walks & Parking		
Site Development Total	\$47,000	\$4,700,000
Construction @ 190,950 GSF	\$267,330	\$26,733,000
Contingency @ 5%	\$15,717	\$1,571,850
Sub-Total Hard Costs	\$336,847	\$33,684,650

SOFT COSTS

Permit/Survey/Fees	\$2,000	\$200,000
Architect and Landscape Architect	\$2,500	\$250,000
Environmental/Site Engineering	\$1,000	\$100,000
Condo Doc Legal	\$75	\$7,500
Legal	\$1,000	\$100,000
Deed Stamps, Recording and Legal Closing	\$1,012	\$101,188
Insurance	\$350	\$35,000
Taxes	\$250	\$25,000
40B Cost Certification Bond	\$1,000	\$100,000
Monitoring Agent Fee	\$180	\$18,000
Site Approval and Final Approval Fees (Masshousing)	\$200	\$20,000
Peer Review Consultants	\$350	\$35,000
Accounting	\$300	\$30,000
Financing Fee/Origination	\$400	\$40,000
Construction Loan Interest	\$5,500	\$550,000
Soft Cost Contingency 5%	\$806	\$80,584
Market Unit Sales Costs 4.50%	\$15,859	\$1,585,946
Lottery Unit Marketing Cost 3%	\$1,784	\$178,350
Developer Overhead	\$2,400	\$240,000
Sub-total Soft Costs	\$36,966	\$3,696,569

SUB-TOTAL DEVELOPMENT COSTS

\$373,812 \$37,381,219

SOURCES

Unit Type A Downhill Units / Market	32	\$453,250	\$14,504,000
Unit Type B Downhill Units / Market	31	\$453,250	\$14,050,750
Unit Type C Uphill Units / Market	6	\$575,750	\$3,454,500
Unit Type D Uphill Units / Market	6	\$539,000	\$3,234,000
Affordable Unit Sales Prices	25	\$237,800	\$5,945,000

TOTAL SALES REVENUES

100 \$41,188,250

PROFIT (LOSS)

\$3,807,031

% PROFIT

9.2%

**Fisherville Terrace
DEVELOPMENT BUDGET**

"OLD" PLAN AS APPROVED

10/13/2020

Project Inputs		
Total Units		72
Single Family Units / Market		32
Duplex Units / Market		22
Single Family Units / Affordable		10
Duplex Units / Affordable		8
Total Square Feet	126,600	

Hard Cost Variables		
Construction Cost Per SF		\$140
Hard Cost Contingency		5%

Average Unit Sizes and Prices		
Single Family Units / Market		1,800
Duplex Units / Market		1,700
Single Family Units / Affordable		1,800
Duplex Units / Affordable		1,700
Sales Price Per SF		\$245
Affordable 3 BR Sales Price		\$237,800

USES

Site Acquisition	PER UNIT	TOTAL
Masshousing Appraised Value		
TOTAL	\$9,444	\$680,000

HARD COSTS	PER UNIT	TOTAL
Tree Removal		
Earthwork		
Booster Pumps		
Geo-Technical		
Utilities connection fees		
Telephone, electric, cable, gas		
Stormwater Detention		
Site Improvements		
Landscaping		
Off-Site Improvements		
Roads & Walks & Parking		
Site Development Total	\$63,889	\$4,600,000
Construction @ 126,600 GSF	\$246,167	\$17,724,000
Contingency @ 5%	\$15,503	\$1,116,200
Sub-Total Hard Costs	\$335,003	\$24,120,200

SOFT COSTS		
Permit/Survey/Fees	\$2,000	\$144,000
Architect and Landscape Architect	\$2,500	\$180,000
Environmental/Site Engineering	\$1,389	\$100,000
Condo Doc Legal	\$104	\$7,500
Legal	\$1,389	\$100,000
Deed Stamps, Recording and Legal Closing	\$983	\$70,755
Insurance	\$486	\$35,000
Taxes	\$347	\$25,000
40B Cost Certification Bond	\$1,042	\$75,000
Monitoring Agent Fee	\$250	\$18,000
Site Approval and Final Approval Fees (Masshousing)	\$278	\$20,000
Peer Review Consultants	\$486	\$35,000
Accounting	\$417	\$30,000
Financing Fee/Origination	\$556	\$40,000
Construction Loan Interest	\$6,597	\$475,000
Soft Cost Contingency 5%	\$941	\$67,763
Market Unit Sales Costs 4.50%	\$14,547	\$1,047,375
Lottery Unit Marketing Cost 3%	\$1,784	\$128,412
Developer Overhead	\$2,556	\$184,000
Sub-total Soft Costs	\$38,650	\$2,782,805

SUB-TOTAL DEVELOPMENT COSTS	\$373,653	\$26,903,005
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SOURCES		
Unit Type A Downhill Units / Market	32	\$441,000
Unit Type B Downhill Units / Market	22	\$416,500
Affordable Unit Sales Prices	18	\$237,800
TOTAL SALES REVENUES	72	\$27,555,400

PROFIT (LOSS)	\$652,395
% PROFIT	2.4%

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GRAFTON, MA

WINSLOW ARCHITECTS INC
architecture | planning



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MEMORANDUM

Zoning Board of Appeals

PROJECT:

Fisherville Terrace

DATE:

10.08.20

TO:

Mujeeb Ahmed

FM:

John Winslow

RE:

Unit Matrix

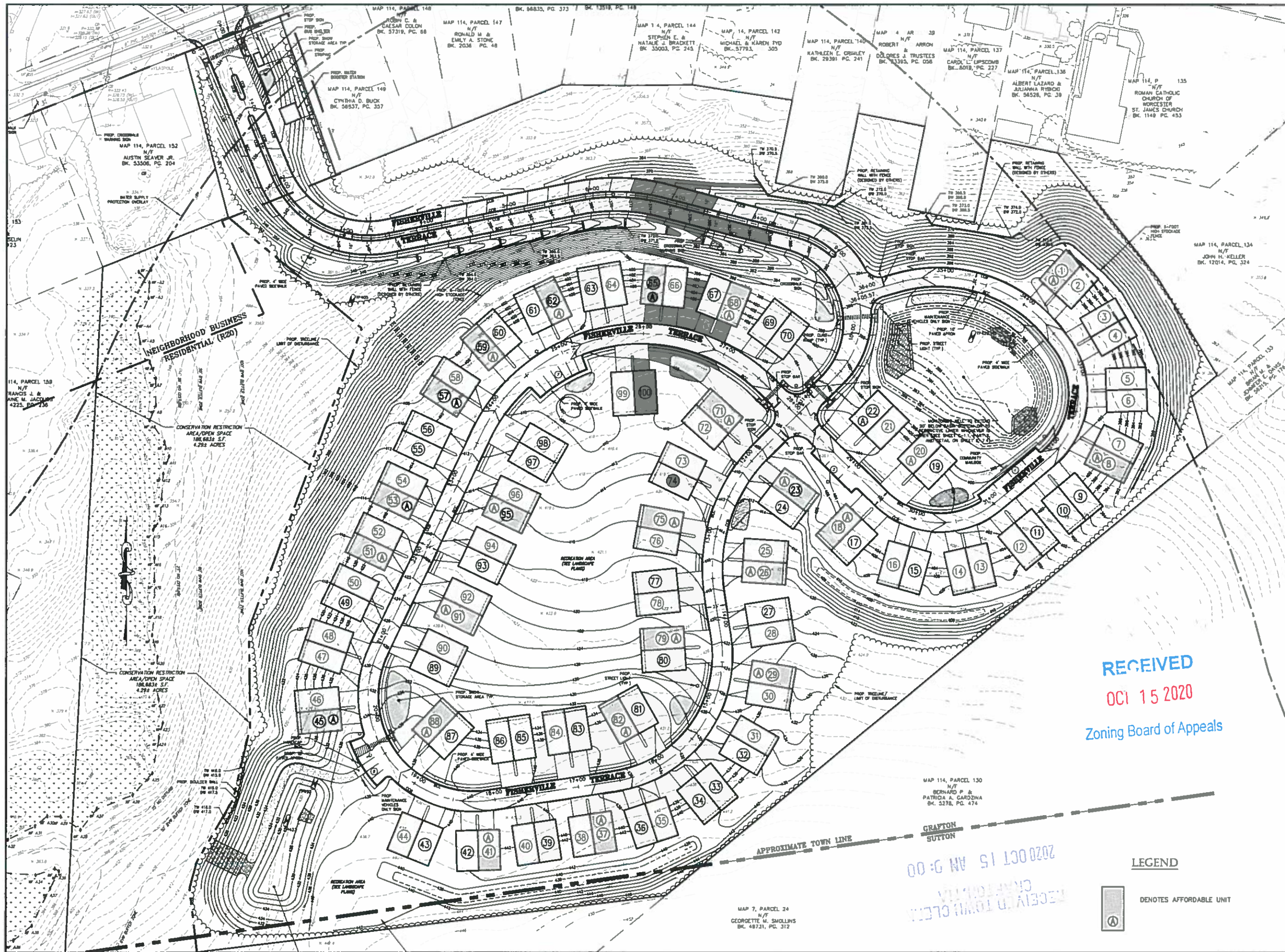
UNIT MATRIX – AMENDED 40B PLANS


NUMBER	UNIT TYPE	NO. OF BR/ BA	UNIT SIZE	FEATURES
44	UNIT TYPE 'A' DOWNHILL	3BR/2.5 BA With optional additional 1/ 2 bath	1,850sf	Duplex building with side by side units. 2 car garage on same level as living space with bedrooms on second floor and family room in walk-out basement below.
42	UNIT TYPE 'B' DOWNHILL	3BR/2.5 BA With optional additional 1/ 2 bath	1,850sf	Duplex building with side by side units. 2 car garage on same level as living space with bedrooms on second floor and family room in walk-out basement below.
7	UNIT TYPE 'C' UPHILL	3BR/2.5BA With optional additional 1/ 2 bath	2,350sf	Duplex building with side by side units. 2 car garage and basement family room underneath 2 story living space above. Master bedroom on same floor as living/dining with 2 additional bedrooms on floor above.
7	UNIT TYPE 'D' UPHILL	3BR/2.5BA With optional additional 1/ 2 bath	2,350sf	Duplex building with side by side units. 2 car garage and basement family room underneath 2 story living space above. All bedrooms on top floor.



UNIT MATRIX – ORIGINAL 40B PLANS

NUMBER	UNIT TYPE	NO. OF BR/BA	UNIT SIZE	FEATURES
42 Units	SINGLE FAMILY	3BR/2.5BA	1,600 – 2,000SF	2 story single family house with single car garage on same level as living space. Bedrooms on the second floor and walk out basements below in the downhill units.
30 Units (15 buildings)	DUPLEX UNITS	3BR/2.5BA	1,600 – 1,800SF	Duplex building with side by side units. Single car garage on same level as living space with bedrooms on second floor and walk-out basements below in the downhill units.





TURNING POINT ENGINEERING
CIVIL SITE DESIGN
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www.turningpointeng.com

APPROVED UNDER THE POWER GRANTED BY MASSACHUSETTS GENERAL LAWS CHAPTER 40B, SECTION 21. THIS PROJECT IS SUBJECT TO THE CONDITIONS CONTAINED IN THE COMPREHENSIVE PERMIT GRANTED ON DECEMBER 3, 2010 BY THE TOWN OF GRAFTON ZONING BOARD OF APPEALS AND IS RECORDED WITH THE WORCESTER SOUTH DISTRICT REGISTRY OF DEEDS IN BOOK 57300, PAGE 160, AS MAY BE AMENDED.

GRAFTON ZONING BOARD OF APPEALS

DATE _____

FISHERVILLE TERRACE
A COMPREHENSIVE PERMIT PLAN
119 MAIN STREET
GRAFTON, MASSACHUSETTS
PREPARED FOR
FISHERVILLE TERRACE, LLC
89 MASSACHUSETTS AVENUE
ARLINGTON, MA 02474

REV.	DATE	DESCRIPTION
5	8/21/20	INCREASE TO 100 UNITS

REVISIONS

PROJECT NO. 1024
DESIGNED BY SJO
CHECKED BY ARB
DATE 8/21/20
CAD FILE H:\1024_SP.dwg
PLAN NO. L-221

GRAPHIC SCALE

0 20 40 60 80 100
(IN FEET)
1 inch = 50 feet

SHEET TITLE


OVERALL LAYOUT PLAN

SHEET NO.

C-2.1

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OCT 15 2020
Zoning Board of Appeals

LEGEND

 DENOTES AFFORDABLE UNIT